

FISCAL NOTE

Bill #: HB0035

Title: Make resource development account deduction permanent

Primary Sponsor: Chris Ahner

Status: As introduced

Sponsor signature	Date	Dave Lewis, Budget Director	Date
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Fiscal Summary

	<u>FY2000 Difference</u>	<u>FY2001 Difference</u>
Expenditures:	\$0	\$0
Revenue:	\$0	\$0
Net Impact on General Fund Balance:	\$0	\$0

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
	X	Significant Local Gov. Impact		X	Technical Concerns
X		Included in the Executive Budget	X		Significant Long-Term Impacts

Fiscal Analysis

ASSUMPTIONS:

1. The distributable income generated from trust land uses over the past five years has averaged \$17,136,669 per fiscal year.
2. An average of \$428,417 per fiscal year would have been distributed to the resource development account had the deduction remained at 2.5% for all five years.
3. An increase of \$85,683 per fiscal year in state special revenue will be realized by the resource development account as a result of continuing the 3% reduction.
4. There will be a decrease of \$85,683 per fiscal year in general fund from distributable trust income for allocation to the respective school trusts as a result of continuing the 3% reduction.
5. The 3% account deduction is currently in place but will terminate at the end of FY 1999 without the proposed legislation. In FY 1998 there was \$517,293 distributed to the resource development account

based upon the 3% deduction. It is expected that a similar amount will be distributed to the resource development account in FY 1999. Therefore, there would be no change in expected revenues to the general fund for the allocation to the respective school trusts or the resource development account in the 2001 biennium compared to the 1999 biennium.

6. The Executive Budget contains a new proposal in the Trust Lands Management Division for database redesign which would use these funds if approved by the legislature.

LONG-RANGE IMPACTS:

Increased development of trust land resources through more effective and efficient administration and management will result in increased revenues to the trusts.